

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

O

v.

**STAR EXPLORATION INC. and
JAMES T. GURGAINERS,**

Defendants,

and

**STAR GEORGETOWN 1 JOINT
VENTURE, *et al.*,**

Relief Defendants.

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CIVIL ACTION NO. 3:08-CV-2248-

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ORDER

The Receiver's *Petition No. 15, Receiver's Petition for Approval of Settlement Agreement, Fees and Expenses, and Authorization to Make Third Interim Distribution*, having been considered by the Court, the Court having noted the pleadings on file and the agreement of the Securities and Exchange Commission to the petition, and having heard arguments regarding the Petition, the Court finds that the petition is well taken and should be granted.

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. The Receiver's settlement with Blue Star Exploration Company, Blue Star Oil & Gas, Ltd., Blue Star Operating Company and Lonnie Williams on the terms set forth in the Settlement Agreement attached to Petition 15, is hereby APPROVED.

2. Payment of the contingency fee of \$400,000 to Allen M. Stewart, P.C. and Scheef

& Stone, LLP from the settlement proceeds is hereby APPROVED. The Receiver's fees incurred in connection with the Blue Star Lawsuit shall be paid from the contingency fee.

3. Expenses in the amount of \$70,904.81 incurred in connection with the Blue Star Lawsuit are hereby APPROVED. Such expenses shall be paid from the settlement proceeds.

4. The Receiver is authorized to distribute the balance of the settlement proceeds a *pro rata* basis to the Approved Claimants and creditor Baker Hughes as set forth in **Exhibit A** hereto.

SO ORDERED this **5th** day of **May, 2011**.


Reed O'Connor
UNITED STATES DISTRICT JUDGE